

Medicaid Waivers Highlights of Waiver Options

LOC Presentation

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Medicaid Waivers

- Allows for states to “waive” certain parts of the rules that Medicaid operates under Fee for Service (FFS).
- 1915 (b), 1915(c), Combination 1915(b)/1915(c), 1115 Waivers and Deficit Reduction Act (DRA)
 - Allows for waiving or changing:
 - Definitions of services
 - Statewideness
 - Eligibility for participation and financial
 - Choice of providers
 - Requires CMS approval
 - 2 or 5 year renewal periods
 - Annual reporting or more frequently
 - Technical amendments required to make changes once approved
 - “90 day decision” but the clock stops at any point that CMS asks questions. No “clock” for 1115 waivers
 - 1115 waivers take the longest to obtain approval, followed then by 1915 (b) waivers then 1915 (c) waivers.

1915 (b) Managed Care/Freedom of Choice

- Allows for states to establish managed care programs
 - 1915 (b)(1) Mandatory enrollment of people
 - 1915 (b)(2) Uses a “gatekeeper”
 - 1915 (b)(3) Establishes capitation programs that can be risk or non-risk based for the provider. Savings can be used to provide additional services
 - 1915 (b)(4) Limits choice of providers
- Allows for carve outs of specialty services
- The approval is contingent upon assurances that
 - Can’t negatively impact access
 - Quality of care
 - Cost effectiveness

1915(b) Managed Care Waiver

- CMS process
 - Approval for 2 year period
 - Requires independent assessment for the first 2 waiver periods
 - Standardized waiver application

1915 (c) Home and Community Based Waivers (HCBS)

- Allows for long term care services to be provided in communities. It provides alternatives to institutional settings.
- States can submit as many HCBS waivers as wanted. Many states have multiple waivers.
- CAP-MR/DD, CAP-DA, CAP-C, CAP Choice
 - Standard application
 - Provides for traditional and alternative services. Can be rehabilitation, habilitation, or support services. If the service is covered under FFS, the waiver service can't be identical.
 - Targeted services based upon people served
 - Services can be custom designed
 - Limits the number of people who can participate
 - Requires cost neutrality reports
 - Requires a level of care determination

1915 c HCBS waivers

- Waives
 - 1902(a)(1) Statewideness. Allows states to target particular areas of the state
 - 1902 (a)(10)(B) Comparability of Services. Makes services available to people at risk of institutionalization (ICF-MR, SNF, ICF, Hospital) without being required to make the services available to all Medicaid recipients since these services are mandatory for FFS
 - 1902 (a)(10)(C)(i)(III) income/eligibility. Allows for financial eligibility to be determined based on income of the person (same as if placed in an institution), waiving income of spouse or parent.

1915 (c) HCBS Waivers

- Approval of CMS
 - Cost Neutrality – services to a target population is no more costly than the cost of services of people in institution
 - Must have measures to ensure health and safety of the person
 - Provide provider standards to meet the needs of the people served
 - Service must be provided in accordance with the plan of care
 - Must meet the quality and accountability standards

1115 Research and Demonstration Waivers

- Allows for Medicaid to test policy innovations that will further the objectives of the Medicaid program
 - Waives
 - 1115 (a)(1) Section 1902 - the state can operate a demonstration program
 - 1115 (a)(2) Section 1903 – the state can obtain FFP for costs that cannot be matched under 1903
- NC operates Family Planning Waiver under this authority
- CMS Approval for 5 years and may request renewal
 - Budget neutral
 - No single format but must address: administration, eligibility, coverage and benefits, delivery system, access, quality, financing, systems supports, implementation timeframes, and evaluation and reporting
 - May be subject to additional requirements such as on site reviews
 - CMS issues terms and conditions once approved
 - Annual reporting

Deficit Reduction Act (DRA)

- Allows for states to use the DRA to obtain CMS approval for items that use to be approved via waivers only. Examples of options include:
 - Services
 - Respite, habilitation type services
 - Target populations
- CMS limits the number of requests that may come in from the state. There are various options that states are exploring with CMS.